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# Mr. Sells honored

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## Mr. Sells Honored

**R**ECENT Bulletins of the American Institute of Accountants contained an announcement that an Elijah W. Sells scholarship has been established by a number of Mr. Sells' friends in the Institute. The income of the fund is to be devoted to a prize for which all candidates at the American Institute annual May examinations will be eligible, which prize will be awarded to the candidate receiving the highest grade.

There is an element of sentiment surrounding this act on the part of Mr. Sells' friends which is somewhat difficult to define and express. It is a formal manifestation of the love and affection in which Mr. Sells is held by the men with whom he was associated in Institute matters over a long period of years. Somewhat unique in that it honors with a foundation, contrary to the usual practice,

a person still living, the act is therefore the more marked in its significance.

Some idea of Mr. Sells' reaction to the announcement, which first came to his attention through the medium of the Institute Bulletin, may be gleaned from the following telegram which he sent to Mr. Edward E. Gore, President of the American Institute of Accountants:

"The paragraph in the Institute Bulletin April twenty-third relating to a scholarship in my name overwhelms me with pride and satisfaction personally and professionally. I wish I could express to you and the members of the council the deep gratitude I feel for the signal honor bestowed. It has sealed the personal affection for those whom I have held in highest esteem these many years and given me renewed professional inspiration for the cause in which we all have a mutual interest and great responsibility.

ELIJAH W. SELLS."

## What Constitutes Marketability?

**B**ALANCE sheets frequently show an item described as marketable securities. They are usually differentiated from investment securities on the theory that they are not only readily saleable but might be sold without any detriment, in its relations of stock control or operating affiliations, to the company which owns them. Such securities are usually considered to represent surplus funds which are either not required or may not be utilized to financial advantage in the business. They are temporary investments which usually yield more than bank deposits, and still may be converted immediately into current funds, in the event that such funds are needed. For this reason the item of marketable securities usually appears in the balance sheet immediately after the cash, and in some instances, as evidence of their availability, is even combined with call loans.

In so far as these general theories are concerned all is smooth sailing. It is well that there should be a theory on which classification of items of this character is based. But when the accountant, whose duty it is to pass judgment on marketability, gets down to the point of specific securities, the task of deciding is not so simple. The question of marketability is quite apart from valuation, and has to do principally with the deciding whether or not the securities are properly included in the group of current assets. The best evidence of marketability is that the securities are listed on an exchange and traded in. Even inactive securities may be verified as to their marketability, as may unlisted securities traded in by brokers where bid and asked prices may be obtained. But the instances of supreme difficulty are those where securities are not listed, no bid or